

TO: NRBI Steering Committee  
FROM: Deputy Commissioner Ned Porter  
RE: Review of Recommendations for Agriculture  
Monday, May 10, 2004

## **Agricultural Water Development**

Irrigation is critical to the financial viability of Maine farmers. Water use is becoming increasingly contested among different users. The state needs a clear policy and farmers need program to ensure adequate supply within that policy.

- **Recommendation:** *Establish a statewide policy on water use for agricultural purposes – This would (a) Give agriculture the priority use and would be effective across all state agencies; (b) Establish an efficient permitting process for farmers developing water use projects; and (c) Formalize the current agricultural water management committee currently advising the department.*
- **Recommendation:** *Build on the department's existing agricultural water development program (a) Support \$15 million in bond issues over the next five years starting in 2005; (b) Expand the program's purposes to include grants and loans for efficient irrigation systems, loans for water source development, and technical assistance for farmers; and (c) Increase the use of federal funds consistent with the increase in state support.*

The Department's Agricultural Water Management Program has produced a five-year work plan. The Department is working with an advisory committee and the Aroostook Water and Soil Management Board to develop a model process for dealing with withdrawals during low-flow periods. The Department also is working with other state agencies, including the DEP, IF&W, and the DOC on this and related issues.

The Sustainable Water Source Development Grant program is in its second year of operation with \$1.9 million in bond funds. To date, the Department has funded 71 projects, and spent \$1.26 million, which is protecting \$9.9 million of crop value on 4,067 acres of cropland. The projects include 3 dug wells, 26 drilled wells, 39 dug ponds, 3 impoundments and two pond/well combinations. Twenty of the projects will be reducing impacts to direct withdrawals from streams as well. To date, 32 of the projects funded have been completed.

The Department expects over the next five years to develop many more projects, especially for the potato and blueberry industries. The potato industry has a goal of having 35 percent of the acreage under irrigation, up from the current 7 percent. The blueberry industry is continuing to deal with the Atlantic Salmon recovery effort.

In addition, small fruit and vegetable growers serving local markets in central and southern Maine will continue to access the program for high value crops. This assistance has been critical to maintain productive, profitable farmland in the face of sprawl in Southern Maine. The Department will be proposing a bond to support continuation of the water source development program and help address the unmet need identified at \$13 million.

## Farmland Protection and Right to Farm

Maine farmers depend on an adequate and productive land base. They should have options for protecting farmland including long-term lease easements and regional voluntary landowner programs. Additionally, the Right to Farm Law, which protects farmers from nuisance complaints, might be more effective if incorporated into a comprehensive farmland protection program.

- **Recommendation:** *Value working farmland – The Natural Resources Industries Steering Committee should establish a policy that recognizes the value of working farmland to the state and incorporate that policy into state land use initiatives, including tax reform.*
- **Recommendation:** *Explore options for preserving farmland – The Department of Agriculture should work with the Agricultural Council of Maine and the Maine Agricultural Center at the University of Maine to determine the role of property tax, agricultural conservation easements, and long-term leases in farm viability, and recommend policies and programs to address those findings.*
- **Recommendation:** *Build on current agricultural land protection programs – The Department of Agriculture should: (a) Establish measurable goals for agricultural land protection (# acres and # farms in specific regions), (b) Assess appropriate techniques for achieving those goals and identify the most appropriate role for the state, and (c) Expand current programs where appropriate.*

Farmers in several Maine communities have been confronted with proposed ordinances that would limit their ability to use best management practices in their operations. The Department has worked with communities and avoided the enactment of any crippling local ordinances. In addition, neighbors to a large egg operation in Leeds who have complained about flies and odor have challenged the State's Right to Farm law. Recent court cases have weakened similar laws in other states. The Department will work with the Attorney General and stakeholders in the coming months to determine how to avoid the weakening of the Right to Farm law, and perhaps how to strengthen it.

Last summer, the Department released a draft strategic plan for farmland protection. *Saving Maine's Farmland – A Collaborative Action Plan* serves as the framework for our ongoing policy development with federal, state, local government agencies and nongovernmental organizational partners.

Since 2000 the Department has obtained \$5 million through USDA Farm and Ranch Land Protection Program to match \$5 million granted by the Land for Maine's Future Program and \$1.5 million from land trusts and towns to purchase Agricultural Conservation Easements on 6,976 acres on 28 farms in 12 counties.

This summer, the Department will publish and distribute a series of brochures to educate the public, farmers, and municipal groups about current programs that promote agricultural viability and secure farmland for future generations of Maine citizens. And, of course, we will continue working closely with LMF on a bond issues to support land conservation.

## Local Agricultural Development

Local agriculture represents over a quarter of Maine's farm income and a majority of Maine's farm numbers. Its growth potential is substantial and can be bolstered, or refocused, or new initiatives developed at the Department.

- **Recommendation:** *Create a Local Agriculture Development program –The Department of Agriculture should: (a) Determine the potential for local agriculture; (b) Provide technical assistance, in cooperation with University of Maine research and extension, to farmers regarding Maine consumer preferences for foods and services, and the appropriate structure and operation of local agriculture farm systems; (c) Provide financial assistance to farmers entering into or expanding local agriculture, with a business development and implementation grants program of \$2 million annually and a revolving loan program of \$5 million funded from a bond issue (Note: Grants for business planning and modest implementation may be made through the Farms for the Future (FFF) program. Current FFF funding will require most of program capacity for 2 years. With some statutory language, the program could add a local agriculture component without compromising its current responsibilities. Loans may be made through FAME after a FFF review); (d) Support increase in value-added processing for local markets; and (e) Promote mechanisms that establish connections between consumers and producers.*

The Department currently administers many marketing and production programs that address facets of the issue, Farms for the Future, Water Source Development, Get Real Get Maine, and the Agricultural Marketing Loan Fund. The majority of farmers participating in these efforts qualify as “local agriculture.”

There are several threads that we will pull together in the coming weeks to scope out the potential for this effort and how to focus a new program to meet that potential.

The Department convened a stakeholders working session last week that drew about 75 participants. We are still sorting through the recommendations but strengthening local markets to drive demand and improving growers' capacity were consistent themes.

During the first week of June, the U.S. Department of Agriculture will be issuing the results of the ag consensus, which it conducts every five years. The data should prove helpful. Within two weeks, I will be convening a group from the Department and academia to look at existing data sets, recent research projects, and ongoing research. None of the existing papers directly address consumer preferences, the potential for changing those preferences, existing capacity for farmers and their support structure and the potential for changing it.

A white paper will be written by mid-summer that draws from existing works to answer those questions.

By late summer, the Commissioner will name a task force to come up with recommendations and legislative proposals.

## Commodity Agriculture and Cost Competitiveness

The viability of Maine's commodity farmers depends on their cost competitiveness. While local agriculture is a fast-growing component of Maine agriculture, commodity production still represents the largest component of Maine agriculture.

- ***Recommendation:*** *Help commodity agriculture farms maintain or improve cost competitiveness – The Department of Agriculture should create a task force, with cooperation from the Agricultural Council of Maine and assistance from the University of Maine, to assess and define the role of state government in helping commodity agriculture farms maintain or improve their cost competitiveness.*

The Governor's Task Force on the Dairy Industry, which released its findings last fall, addressed cost-competitiveness issues for dairy farmers. The Department is working with partners throughout agriculture to implement the recommendations.

The Maine Potato Board is convening a potato summit this summer to take a look at the industry. The Department will work with industry leaders as needed to address the issues raised at the summit.